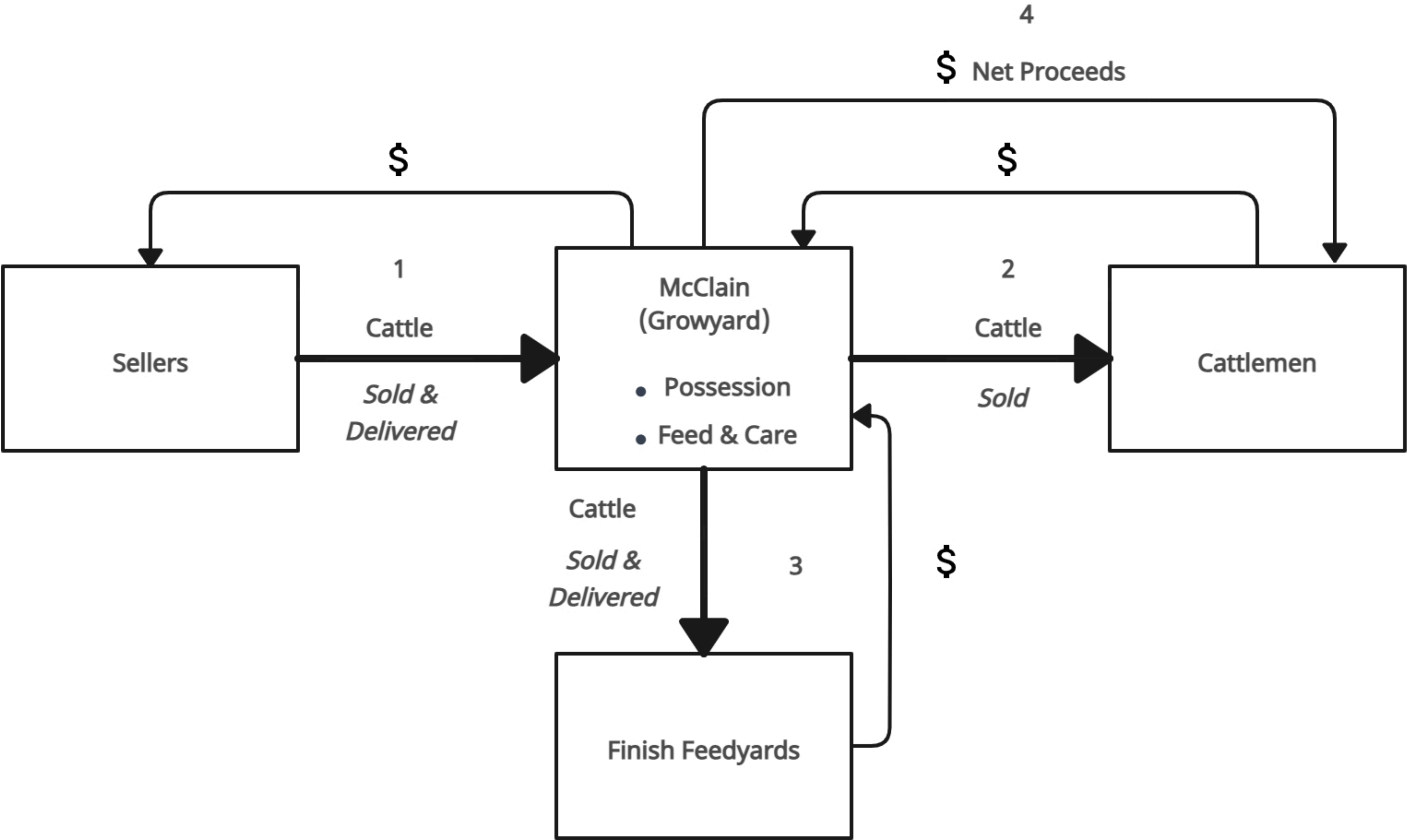


McClain Transactions - Simplified

Clarification:

- “grow yard” a/k/a
“preconditioning yard”
- forage based ration
 - “straighten out” calves from shipping sickness, etc.
 - get to weight to send to a “finish feedyard” (approx. 450# to 750#)
 - ships/sells to “finish feedyard”
- “finish yard”
- mostly grain diet to obtain “marbling/fatten” and final weight for slaughter (approx. 750# to 1400#)
 - sells to packers



Summary:

1. Various sellers sell to McClain and ship cattle to him
2. McClain sells to the Cattlemen
3. McClain feeds & “straightens out” the cattle and sells them to finish feedyards
4. McClain pays net proceeds to cattlemen